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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in the Lok Sabha on 15th December, 2005:—

BILL No. 161 OF 2005

*A Bill further to amend the Central Sales Tax Act, 1956.*

Be it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Central Sales Tax (Amendment) Act, 2005.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

74 of 1956.

2. In the Central Sales Tax Act, 1956 (hereinafter referred to as the principal Act), in section 19, after sub-section (2), the following sub-section shall be inserted, namely:—

Amendment of  
section 19.

43 of 1961.

“(2A) Notwithstanding anything contained in sub-section (2), the Chairman or a Member holding a post as such in the Authority for Advance Rulings appointed under clause (a) or clause (c), as the case may be, of sub-section (2) of section 245-O of the Income-tax Act, 1961 may, in addition to his being the Chairman or a Member of that Authority, be appointed as the Chairman or a Member, as the case may be, of the Authority under this Act.”

Insertion of  
new section  
19A.

Vacancies,  
etc., not to  
invalidate  
proceedings.

Substitution of  
new section  
for section 20.

Appeals.

3. After section 19 of the principal Act, the following section shall be inserted, namely:—

“19A. No proceeding before the Authority shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.”.

4. For section 20 of the principal Act, the following section shall be substituted, namely:—

‘20. (1) The provisions of this Chapter shall apply to appeals filed by any aggrieved person against any order of the highest appellate authority of a State, made under section 6A read with section 9.

*Explanation.*—For the purposes of this section and sections 21, 22 and 25 “highest appellate authority of a State” means any authority or tribunal or court (except the High Court) established or constituted under the general sales tax law of a State, by whatever name called.

(2) Notwithstanding anything contained in the general sales tax law of a State, the Authority shall adjudicate an appeal filed under sub-section (1).

(3) An appeal under sub-section (1) may be filed within ninety days from the date on which the order referred to in that sub-section is served on any aggrieved person:

Provided that the Authority may entertain any appeal after the expiry of the said period of ninety days, but not later than one hundred and fifty days from the date of such service, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time:

Provided further that the Authority may entertain any appeal from an aggrieved person within sixty days from the commencement of the Central Sales Tax (Amendment) Act, 2005, where such aggrieved person had the right to file an appeal against the order of the highest appellate authority of the State under sub-section (1) as it stood immediately before the commencement of the said Act, but has not availed of the right to file the appeal during the period commencing on and from the 3rd day of December, 2001 and ending with the 16th day of March, 2005.

(4) The application shall be made in quadruplicate and be accompanied by a fee of five thousand rupees.’

Amendment  
of section 21.

5. In section 21 of the principal Act,—

(i) in sub-section (2), for the words “assessing authority”, the words “highest appellate authority” shall be substituted;

(ii) in sub-section (5), for the words “appellant and to the assessing authority”, the words “appellant, assessing authority, respondent and highest appellate authority of the State Government concerned” shall be substituted.

Amendment  
of section 22.

6. In section 22 of the principal Act, for sub-section (1A), the following sub-section shall be substituted, namely:—

“(1A) The Authority may grant stay of the operation of the order of the highest appellate authority against which the appeal is filed before it or order the pre-deposit of the tax before entertaining the appeal and while granting such stay or making such order for the pre-deposit of the tax, the Authority shall have regard, if the assessee has made pre-deposit of the tax under the general sales tax law of the State concerned, to such pre-deposit or pass such appropriate order as it may deem fit.”.

7. For section 25 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 25.

“25. (1) On and from the commencement of the Central Sales Tax (Amendment) Act, 2005, all appeals (except appeals against orders of the highest appellate authority of the State) pending before the Authority notified under sub-section (1) of section 24 shall stand transferred together with the records thereof to the highest appellate authority of the concerned State.

Transfer of pending proceedings.

(2) Such highest appellate authority of the State to which such appeal has been transferred under sub-section (1) on receipt of such records shall proceed to deal with such appeal so far as may be in the same manner as in the case of an appeal filed before such highest appellate authority of the State according to the general sales tax law of the appropriate State, from the stage which was reached before such transfer or from any earlier stage or *de novo* as such highest appellate authority of the State may deem fit:

Provided that where the highest appellate authority finds that the appellant has not availed of the opportunity of filing first appeal before the appellate authority, such case shall be forwarded to such authority.”

8. In section 26 of the principal Act, the words “or Union territory” shall be omitted.

Amendment of section 26.

## STATEMENT OF OBJECTS AND REASONS

The Central Sales Tax is levied under the provisions of the Central Sales Tax Act, 1956, on the sale of goods in the course of inter-State trade or commerce. However, the Central Sales Tax is not leviable when the movement of goods from one State to another is occasioned not by way of sale but by reason of consignment or stock transfer. The distinction between a sale and a consignment or stock transfer often gives rise to disputes. These disputes essentially involve the dealer and the State Governments of the originating as well as the destination States. The Hon'ble Supreme Court had observed in the case of *Ashok Leyland Limited vs. Union of India and Others* [(1997) 9 Supreme Court Cases 10], that, there was no provision for any central mechanism in the Central Sales Tax Act, 1956 to resolve such disputes and suggested that such central mechanism be created for this purpose. Accordingly, a new Chapter VI, viz., "Authority to settle disputes in course of inter-State trade or commerce" was inserted in the Central Sales Tax Act, 1956, by the Central Sales Tax (Amendment) Act, 2001. The said Chapter provides for setting up of a Central Sales Tax Appellate Authority. The provisions of the said Chapter were brought into force on the 17th March, 2005 by a notification. Further, on the same date, a notification was issued in exercise of powers under section 24(1) read with section 19(1) of the Central Sales Tax Act, 1956, to the effect that the Authority for Advance Rulings constituted under the Income-tax Act, 1961 shall also function as the Central Sales Tax Appellate Authority. However, certain difficulties have been observed in the functioning of the Authority for Advance Rulings as the Central Sales Tax Appellate Authority and the Authority has suggested some amendments to the Central Sales Tax Act, 1956, with a view to facilitate smooth functioning of the Authority. Accordingly, it is proposed to amend the Central Sales Tax Act, 1956.

2. The salient features of the proposed amendment Bill are as follows:—

(i) amendment of section 19 to enable the Government to appoint the Chairman and the Member (Legal) of the Authority for Advance Rulings as the Chairman and Member (Legal) of the Central Sales Tax Appellate Authority. It is also proposed to insert a new section 19A to provide that the proceedings before the Authority shall not be questioned or invalidated due to any vacancy or defect in the constitution of Authority. These proposals are for providing operational flexibility in the constitution and functioning of the Authority;

(ii) amendment of section 20 to provide that appeals before the Central Sales Tax Appellate Authority lie only against the orders of the "highest appellate authority" in a State and not against the orders of the Assessing Authority. This will not only facilitate smooth functioning of the Central Sales Tax Appellate Authority, as the cases will come up before the Authority only after initial screening at State level, but will also be helpful to the dealers, as the appellate mechanism in the States will continue to remain available to them;

(iii) amendment of section 20 to increase the time limit for filing of appeal before the Central Sales Tax Appellate Authority from forty-five days to ninety days, with the power to the Central Sales Tax Appellate Authority to condone the delay of up to sixty days, as against fifteen days at present. This is to ensure that the aggrieved persons from various parts of the country get adequate time to file appeals;

(iv) amendment of section 20 to allow the State Governments also to file appeals before the Central Sales Tax Appellate Authority, in case they feel aggrieved against the orders of the "highest appellate authority" of the State. Presently, only dealers are entitled to file appeals before the Central Sales Tax Appellate Authority;

(v) consequential amendment has also been proposed in section 25 to transfer proceedings pending before the Central Sales Tax Appellate Authority, which have already been filed against the orders of the authorities lower than the "highest appellate authority" in the State, back to the appellate authorities in the States.

4. The Bill seeks to achieve the above objects.

NEW DELHI;

P. CHIDAMBARAM.

*The 8th December, 2005*

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PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE  
CONSTITUTION OF INDIA

[Copy of letter No. 19/211/96-ST, dated the 8th December, 2005 from  
Shri P. Chidambaram, Minister of Finance to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposed Central Sales Tax (Amendment) Bill, 2005, recommends under clause (1) of article 117 of the Constitution of India, the introduction of the Bill in Lok Sabha.

## BILL No. 163 OF 2005

*A Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2005-06.*

Be it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Appropriation (No. 5) Act, 2005.

Issue of Rs.  
9079,81,00,000  
out of the  
Consolidated  
Fund of India  
for the  
financial year  
2005-06.  
Appropriation.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of nine thousand seventy-nine crores and eighty-one lakh rupees towards defraying the several charges which will come in course of payment during the financial year 2005-06, in respect of the services specified in column 2 of the Schedule.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

## THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes		3 Sums not exceeding		
			Voted by Parliament	Charged on the Consolidated Fund	Total
			Rs.	Rs.	Rs.
1	Department of Agriculture and Cooperation .....	Revenue	3,00,000	..	3,00,000
		Capital	2,00,000	..	2,00,000
5	Atomic Energy .....	Revenue	1,00,000	1,10,00,000	1,11,00,000
		Capital	1,00,000	..	1,00,000
7	Department of Chemicals and Petro-chemicals .....	Revenue	10,17,00,000	..	10,17,00,000
		Capital	1,00,000	..	1,00,000
8	Department of Fertilisers .....	Revenue	1000,00,00,000	..	1000,00,00,000
10	Ministry of Coal .....	Revenue	100,00,00,000	..	100,00,00,000
11	Ministry of Mines .....	Revenue	1,00,000	..	1,00,000
		Capital	1,00,000	..	1,00,000
12	Department of Commerce .....	Revenue	103,50,00,000	..	103,50,00,000
14	Department of Posts .....	Capital	..	15,00,000	15,00,000
18	Department of Consumer Affairs .....	Capital	1,00,000	..	1,00,000
20	Ministry of Culture .....	Revenue	1,00,000	..	1,00,000
23	Defence Services—Army .....	Revenue	1,00,000	..	1,00,000
24	Defence Services—Navy .....	Revenue	1,00,000	..	1,00,000
25	Defence Services—Air Force .....	Revenue	1,00,000	..	1,00,000
29	Ministry of Development of North Eastern Region ..	Capital	22,33,00,000	..	22,33,00,000
30	Ministry of Environment and Forests .....	Revenue	3,00,000	..	3,00,000
		Capital	10,40,00,000	..	10,40,00,000
31	Ministry of External Affairs .....	Revenue	40,00,00,000	..	40,00,00,000
		Capital	42,00,00,000	..	42,00,00,000
32	Department of Economic Affairs .....	Revenue	2,00,000	..	2,00,000
		Capital	1,00,000	..	1,00,000
34	Payments to Financial Institutions .....	Revenue	250,02,00,000	..	250,02,00,000
		Capital	243,02,00,000	..	243,02,00,000
36	Transfers to State and Union territory Governments ..	Revenue	200,00,00,000	..	200,00,00,000
41	Indian Audit and Accounts Department .....	Revenue	1,00,000	..	1,00,000
44	Indirect Taxes .....	Revenue	1,01,00,000	..	1,01,00,000
47	Department of Health .....	Revenue	2,00,000	..	2,00,000
48	Department of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) .....	Revenue	1,00,000	..	1,00,000
		Capital	49,00,000	..	49,00,000
50	Department of Heavy Industry .....	Revenue	82,64,00,000	..	82,64,00,000
		Capital	210,02,00,000	..	210,02,00,000

1 No. of Vote	2 Services and purposes		3		
			Summs not exceeding		
			Voted by Parliament	Charged on the Consolidated Fund	Total
			Rs.	Rs.	Rs.
51	Department of Public Enterprises .....	Revenue	15,00,000	..	15,00,000
54	Police .....	Revenue	1,00,000	6,00,000	7,00,000
56	Transfers to Union territory Governments .....	Capital	1,00,000	..	1,00,000
57	Department of Elementary Education and Literacy ...	Revenue	2,00,000	..	2,00,000
58	Department of Secondary Education and Higher Education	Revenue	3,00,000	8,00,000	11,00,000
59	Department of Women and Child Development .....	Revenue	3,00,000	..	3,00,000
60	Ministry of Information and Broadcasting .....	Capital	1,00,000	..	1,00,000
63	Law and Justice .....	Revenue	1,00,000	..	1,00,000
65	Ministry of Non-Conventional Energy Sources .....	Capital	5,00,00,000	..	5,00,00,000
67	Ministry of Panchayati Raj .....	Revenue	1,00,000	..	1,00,000
70	Ministry of Personnel, Public Grievances and Pensions ..	Revenue	..	33,00,000	33,00,000
		Capital	1,48,00,000	..	1,48,00,000
71	Ministry of Petroleum and Natural Gas .....	Revenue	5750,00,00,000	..	5750,00,00,000
72	Ministry of Planning .....	Revenue	1,00,000	..	1,00,000
75	Lok Sabha .....	Revenue	19,44,00,000	..	19,44,00,000
79	Department of Rural Development .....	Revenue	3,00,000	..	3,00,000
80	Department of Land Resources .....	Revenue	1,00,000	..	1,00,000
82	Department of Science and Technology .....	Revenue	1,00,000	..	1,00,000
83	Department of Scientific and Industrial Research .....	Revenue	1,00,000	..	1,00,000
92	Ministry of Textiles .....	Revenue	290,89,00,000	..	290,89,00,000
100	Department of Urban Development .....	Revenue	2,00,000	..	2,00,000
		Capital	695,01,00,000	..	695,01,00,000
101	Public Works .....	Capital	1,00,000	..	1,00,000
103	Department of Urban Employment and Poverty Alleviation	Revenue	1,00,000	..	1,00,000
104	Ministry of Water Resources .....	Revenue	1,00,000	..	1,00,000
105	Ministry of Youth Affairs and Sports .....	Revenue	2,00,000	..	2,00,000
	TOTAL .....		9078,09,00,000	1,72,00,000	9079,81,00,000



## STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114 (1) of the Constitution of India, read with article 115 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the supplementary expenditure charged on the Consolidated Fund of India and the grants made by the Lok Sabha for expenditure of the Central Government, excluding Railways, for the financial year 2005-06.

P. CHIDAMBARAM.

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PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE  
CONSTITUTION OF INDIA

[Copy of letter No. F. 4(23)-B(SD)/2005, dated the 8th December, 2005 from Shri P. Chidambaram, Minister of Finance to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2005-06, recommends under article 117(1) and (3) of the Constitution, the introduction of the Appropriation (No. 5) Bill, 2005 in Lok Sabha and also the consideration of the Bill.

P. D. T. ACHARY,  
*Secretary-General.*